97-84013-28

Hosmer, Francis J.

The tariff

[Boston]

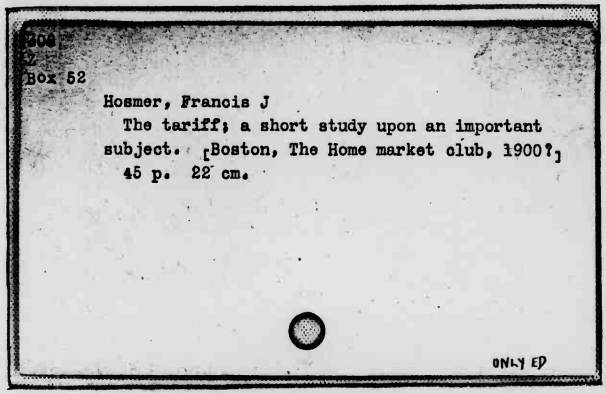
[1900?]

97-84013-28
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD


Box 52
Hosmer, Francis J
The tariff; a short study upon an important subject. [Boston, The Home market club, 1900?]
45 p. 22 cm.
ONLY ED

RESTRICTIONS ON USE: *Reproductions may not be made without permission from Columbia University Libraries.*

TECHNICAL MICROFORM DATA

FILM SIZE: 35 mm REDUCTION RATIO: 11:1 IMAGE PLACEMENT: IA (IIA) IB IIB

DATE FILMED: 2-5-97 INITIALS: MS

TRACKING # : 21191

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

OCT 3 0 1958

THE TARIFF

A SHORT STUDY UPON AN IMPORTANT SUBJECT

By FRANCIS J. HOSMER

THE TARIFF

A SHORT STUDY UPON AN IMPORTANT SUBJECT

By FRANCIS J. HOSMER

Compliments of the Author

THE TARIFF

A Short Study upon an Important Subject

By FRANCIS J. HOSMER.

CHAPTER I.

Before any proposition can be truly demonstrated, the foundation upon which it rests must be made entirely clear; and before it can carry conviction it must be evident that it is based upon facts. There is no method whereby the mind can reason its way up to a conclusion except from some clearly defined foundation, and the conclusions are either right or wrong, just in proportion as the original premise is related to the exact truth. No true structure can be built upon an untrue foundation, so no true conclusion can be reached from a foundation of untruth, of half truth, or of misstated facts supposed to be true. Therefore it follows that true conclusions can only be reached after the mind has first grasped an elementary truth and followed its teaching to its logical end. This much would seem to be axiomatic.

What then is to be said of those questions of public policy which have been discussed for more than a century and are still unsettled?

It is my purpose to attempt to apply this principle to one of the questions upon which good men differ and see if through this channel some light may not be thrown upon the canvas of the future; not that there is good ground for supposing that the writer has been able to delve deeper into the hidden mysteries than others, but I have chanced, perhaps, to stumble upon a line of investigation which no writer on political economy has ever touched upon, so far as I know. It, therefore, seems to me to be a duty to present a few new facts which would seem to place an old question in an entirely new light.

The starting point, therefore, of my investigation to find, if possible, a foundation upon which the political economy of the future could be safely built; must be a search for the elementary

principles of action; the motive that rules and governs in the social intercourse of men; and this is plainly *freedom*, for to nothing less than freedom will advanced intelligence submit. This, then, must be an impulse which is ever present, lying at the base of human action. Whatever of freedom each may be willing to surrender into the keeping and for the well-being of the whole would seem to emphasize this truth for, thus far, they stand upon equal ground, for no one has surrendered more than his neighbor. They have already learned that order must prevail and that only well understood rules, which all must obey, can produce it; still, they are free men. If their laws are faulty, they can change them.

But free men desire to be rated as equals; all are ready to offer their lives for — or in defence of — their principles at the supreme moment, and man can do no more, and herein the humblest offers just as much as the most exalted, thereby demonstrating that in the highest sense all are equal. It would, therefore, seem safe to assume that the highest measure of equality would be carefully preserved through every avenue of life and that no one would surrender any part until he must at the behest of some overpowering necessity. These would seem to be primitive traits of human nature and that no man would willingly transfer the direction of his higher intelligence to his neighbor, for equality as the world regards it cannot exist so long as one is depending upon his neighbor for employment. Such would seem to be the social side of the problem, and if there were no other side to be considered, there would be few to seek employment.

Here the individual is confronted with the material side of the question, — he must have silver in his purse. This side of the question is vital; it is not only vital but it is pressing. It gives him no vacation. He battles with it, and if he be fertile in expedients, he solves it for himself; if he be deficient, he seeks his neighbors' assistance and voluntarily offers to surrender a certain element of his freedom for the purpose of an income which he knows not how else to secure.

The expressive taunt so often heard upon the playground, "I am as good as you" is never absent from the minds of men, and no amount of argument or of organization into Unions or Societies of any kind can banish that feeling of inferiority which the man

himself endures who knows that he must sell his services to his neighbor; and the Union and the strike are vital expressions of that feeling. The strike then becomes the active demonstration of that abhorrence with which the human mind regards its own fancied inferiority.

Not always will the false standard of society regard the accumulation of wealth as the highest ambition of man or regard material things as the only wealth; but so long as it does, those endowed with the faculty to direct affairs to that end will be regarded as superior men, for the standard of measurement is the one which society has established and society alone can change. If Socialism in all its forms will but take counsel of its own inmost heart, it will be surprised to find how true these propositions are; nor need they despair, for sometime, somewhere, in some way must be realized the highest conception of the human mind, but it can proceed only from a generous motive; no sordid motive can have any standing in the Court of the future, for there is no sordid motive recorded which has not left its bitter taste through all the records of the past.

For the present we can only deal with the material things of life as we find them, and the condition which would seem to demand attention is that unrest which seems to arise from the fancied inequalities of society; and it should be noted that the only inequality complained of is that measured by the money standard. No one complains that his neighbor knows more or is better bred. The most ordinary intelligence must be able to see that no law creates that distinction, but the complaint is bitter that one has more than another of the luxuries of life. It is not that he himself lacks for the necessaries of life or that one's neighbor can consume more of them, but one is in possession of more of the evidences of wealth than another, and there the trouble begins.

CHAPTER II.

THERE would seem to be something wrong about the reasoning in the discussion of any important question when, after more than three-quarters of a century of debate, good men can still be found to differ upon the subject.

In the first Congress that assembled under the Constitution, the second act passed was for the laying of impost, and the preamble defining the purpose of the law expressly stipulates that it was for the following purpose, namely: "For the support of the Government, for the payment of the debt of the United States, and for the encouragement and protection of manufacturers."

The first tariff law was accordingly so adjusted as to accomplish those ends. As the men who composed that Congress were very largely the men who had framed the Constitution they may be supposed to be the most competent judges of the powers conferred upon them by an instrument of their own adoption, and as a result the constitutional right to encourage and protect manufactures was not seriously questioned for thirty years and more.

The revision of the tariff in 1816 was opposed by Massachusetts and, in fact, by New England upon the ground that protection was being carried too far; but the Middle States, under the leadership of South Carolina, were in favor of it; and the protective feature was still further strengthened under the law of that year.

In 1824, under the leadership of Henry Clay of Kentucky, and against the voice and the votes of New England, the so-called "American System" of protection was supposed to have become established as the fixed policy of the Government.

About the year 1830 John C. Calhoun denied the constitutionality of the protective policy, notwithstanding he had himself been instrumental in establishing it, and from that day until now it has been a prominent feature of almost every presidential campaign and the discussion has proceeded in very much the same language. The arguments of each side in the controversy seem to have been substantially exhausted in the early thirties: one party

claiming that protection was one of the direct agencies for the greater employment of labor, while the opponents of protection have as generally characterized protection as the legalized robbery of the many for the benefit of the few; while from the standpoint of each, no account has ever been taken of the varying conditions of mankind; each side has seemed to proceed upon the assumption that one man is as well qualified as another to direct his efforts in the race of life.

This is plainly a mistake of fact, which sooner or later will have to be recognized in the solution of this question. Men are created unequal and every single avenue of life illustrates it. Nearly all are endowed with talents which excel in some given direction, with no two alike, and the very diversity is the charm of human existence; but when those talents are applied to the solution of the intricate problems of life it is then that the inequality in executive ability becomes manifest, for it is the executive ability which is not only the guiding spirit but it is the stroke oar of the race, and no man can hope to win in the struggle of life until he has prepared himself to pull the stroke oar in some one, at least, of life's contests.

Whether or not the enormous developments of science shall have been too rapid to allow the average man to "catch on," as the boys say, and become one of the principals in this rapidly moving panorama of life, is not here and now under discussion. The phenomenon which lies plainly before us is this: in this country we have a population of a hundred millions of people needing bread. In the manufacturing states we see that the agency through which that bread is furnished rests almost entirely in the hands of comparatively few men. The so-called tariff barons are furnishing the executive ability which is directing the effort of a large majority of the people and paying them the wage that gives them their support. It is safe to assume that the wage earner knows not where to procure his bread easier or in greater abundance, else why is he there. If he could employ his talents to better advantage, he can be depended upon to do so, for both his pride and his interest prompt it. The very fact that he still remains a wage earner implies two truths, first, that there are those who

are ready to employ labor, and second, that the wage earner knows not how to do better with his labor than to sell it for what he can secure.

Here are two distinct classes of men: the one, resolute and hopeful, and the other, doubtful, and it may be, timid, and in its final analysis the whole human family can be separated on these lines, and in the problem of bread winning under present day conditions it is necessary to know what relation these two classes sustain to each other and through that relation to the economics of government.

First, how do they compare in numbers? That must be the first step in the investigation. In the effort to ascertain, nothing definite could be gathered from any available statistical compilation. To state in concrete terms just the data that was wanted, it was simply this: What proportion of the whole population is able to maintain itself by its own executive ability and what proportion is surrendering its independence in the matter of labor for wages?

There seemed no way of determining these facts for any considerable number of people and the nearest approach to a canvass that might serve as an average basis for calculation, seemed to be to take some local community, large enough to embrace the various activities, where the agricultural, manufacturing, merchandising and professional classes were sufficiently numerous to form a compact, well-balanced community.

To that end, one of the towns of western Massachusetts was selected, whose population at that time numbered sixty-one hundred people with a poll list on that year of eighteen hundred and twenty-five poll tax payers; and that list was supposed to contain the name of every male citizen above the age of twenty-one not criminal or pauper, and embraces the entire class usually denominated bread winners. The result was as follows: out of the entire number of tax payers, fifty-one of the number were found to be engaged in what was denominated manufactures with an employee list varying from two or three to some three hundred; seventy-seven were found engaged in merchandising and employing such help as the nature of their business required; one hundred thirty-eight were

engaged in mechanical and miscellaneous pursuits, all of whom employed themselves and most of them had some employment to bestow upon others; while one hundred ninety-one were included in the professional classes and in agriculture, all of whom were directing their own efforts, and many were furnishing some employment for their neighbors.

If the above data are correct, and they were tabulated with care, the numbers here stated constitute the entire employer class of over six thousand people. No record was attempted of the female employers of labor, such as milliners and dressmakers, whose numbers are few and whose pay roll in comparison with the whole, light indeed.

To confine ourselves to the poll list, the statement would be as follows: out of a fairly representative list of eighteen hundred and twenty-five bread winners, four hundred fifty-seven of the number are conducting the entire productive industries of the town, and not only that, but they are conducting the public business as well.

Now, let this proposition be stated so that its importance cannot be minimized. In the community tabulated there is a standard of education and a degree of intelligence probably second to no place in the world; and when we come to compare the executive ability, this startling fact stares us squarely in the face: in every group of four men, almost exactly three men are leaning upon the fourth one for their income.

As no one is obliged to employ labor, it would naturally follow that no one would, except from the hope of gain or to enhance their own comfort, and if an extended investigation shall make it plain that three men in every group of four shall be found unable to stand unaided upon their own feet, so to speak, in the race of life, then all laws which shall foster the employment of labor must be wise.

CHAPTER III.

After the problem had been worked out in one town where the conditions were thought to be as nearly representative of the whole country as could exist in any small community, and finding the results so marked, the matter was brought to the attention of the Bureau of Statistics of Massachusetts in 1895, and of Congress in 1900, but for some reason, which is not plain, no definite data upon this matter exists, except the little which is here presented, so far as has come to notice. Perhaps, the conditions are too intricate to be analyzed by the Census Bureau and can only be done by experts in the various industries. The difficulty will readily occur to one who is familiar with the organization of large concerns which require a general manager, superintendents for each department, many foremen for the various jobs and many sub-foremen for the varying sections of the job, who are all indirectly employing labor, especially where some part of the work is done by contract as is very often the case; but in its last analysis, they are all employees so long as they continue to draw either wages or salary, and it is from this class that the employer class is being constantly recruited; and as the crying need of today and of all todays is, more and diversified manufactures, the humble toiler will yet learn that the politician who would attempt to better his material condition by temporizing with that policy which affects the only source of income he can possibly have, should himself at least know the nature of the subject he is dealing with, and not in his zeal wantonly destroy the only bridge the poor fellow ever had to cross on.

There is, perhaps, no subject quite as vital as that which affects the industries of the people. It is the problem of problems to furnish employment and keep the people at work. While they are busy they are accumulating wealth, when idle they are consuming their substance; and here is one of the strange phenomena of human existence, that accumulated wealth, which we are all in

greater or less degree striving for, and is the only possible guaranty of continued human existence, looked upon with complacency when in our own pocket, at once takes on a sinister look when discovered in our neighbor's pocket, and that sinister look gathers malignity just in proportion as our neighbor's pocket bulges more than our own. It is often called Socialism, and strangely enough, the men who talk Socialism seem to have no conception of the trait of character they are advertising. Envy is a very poor counselor.

Whether the figures here presented constitute a reasonable average of the general executive deficiency of the human race can only be assumed.

If added intelligence be the touchstone of success in life it would seem that the small cities and large towns of Massachusetts should furnish as large a proportion of examples as it would be possible to secure, and until something to the contrary may be adduced, for the purpose of this article, it will be so accepted, and, for the present we will assume it to be a fair average. There are, indeed, some indications that the average would be materially increased as the scale of intelligence declines, and it may be that a careful study of the primitive races of men will give to the student of economics its most valuable lesson.

Whether development in the mechanical arts has been the agency, or merely the expression of an agency through which mankind has advanced, can only be determined as the psychologist shall join with the archaeologist in the investigation, and the characters found upon the Karnak Rock, the Aztec Temples and the ruins of the Montezumas may yet furnish the clue, as its dim dawning is visible in some of its forms in every race of men. A study of its development should furnish valuable information in determining its tendency.

If the conservation of energy in the form of wealth, and the concentration of energy in the attribute of executive ability shall be found to be the keystone to the arch of all material progress, then for the first time will political economy be furnished with a tangible and unvarying fact upon which to build, and social economy with a ground floor plan for a future structure.

Undoubtedly, the highest attribute of Government is to con-

serve and enhance the public good, and, perhaps, no better definition exists; but the words themselves are too narrow for the subject. They seem to relate only to material things, while the material things are only the incidents which succeed the sublime ceremony. The sublime ceremony of Government is to erect not a code, Justinian simply, but a code celestial as near as may be, and poise upon it scales of justice attuned to the eternal verities. If this is too much to expect, it is certainly not too much to hope for.

It has long been accepted as a political axiom by a very large class of men, that any legislation which shall have a tendency to reduce the cost of the necessaries of life to those least able to buy them is the very height of political wisdom, and so generally has this theory been accepted that no one, so far as I have yet discovered, has attempted to argue against it, and indeed, it would seem to be impossible to present any argument against it if all were equally sure of a given income, that is, if both the factors in the problem bore with equal weight upon all who came within the range of the proposition, there would then be little chance for argument. Unfortunately, only one side of the case applies to all alike. It may be assumed that all can buy alike, provided they have the means, and buy in the same quantities, but so far as this part of the proposition is concerned no legislation whatever is needed. These men have the money; they are the men who can always be depended upon to have money; they are the fourth men of the groups; they are the identical men who have been instrumental in building every government and every institution that exists, and when the scroll shall be rolled back and an impartial eye shall be able to analyze their mission, they will probably be found in their collective capacity to have been certainly among the world's greatest benefactors.

This, it may be assumed, is a reasonable picture of what the fourth men of the groups have already done and may be depended upon to accomplish in the future.

Now it must be borne in mind that in the township investigated it was found that almost exactly three men in every group of four were leaning upon the fourth man for their income, and from that standpoint we will examine the other side of the proposition and see how it might be expected to affect that community. The fourth men of the groups if not already supplied can attend to their wants at any time, they need no laws except such as shall preserve order; while of the other three men of the group there will be here and there one more prudent and thrifty than the average who is about ready to graduate into the employer class but not enough to change the general proportion; there are still three men in every group of four who must find someone who not only has such work as they can do, but has the money with which to pay, and furthermore is willing to hire the work done, before they can buy anything. Of what interest can the price of commodities be to them until they have first secured the price for which something can be bought? Whoever knew of a man, asking alms from door to door, inquiring after the price of flour? He is not interested in the price of anything until he has raised himself to the dignity of that condition where he can approach his neighbor as a buyer and not as a beggar, and he can do that only after finding a market for his labor.

What is the first duty which political economy would seem to owe to this large class who are depending upon their neighbor for the profitable employment of their energy, through which, and only which, they may compass their support?

The answer would seem to be plain enough; in fact, is there anything that can be done for them except to strengthen them so far as legislation can, where they are weak, by broadening, so far as law can be made to, a market for the only item of value they have to sell, which is their labor?

What interest can they possibly have in prices until they shall have secured that with which they can buy something? All other and collateral considerations must give place to this, for it is only as self-sustaining individuals that they can preserve their manhood. They could buy flour at $20.00 per barrel just as well as at $5.00 if they have no money. If they must become a public charge, while the quality of their food would still interest them, the cost would seem to be a matter of indifference; but when they have found a market for their labor and they feel that the income is assured, whatever prices may be, they can make it supply their

sorest needs, and keeping in view the permanence of their income from that standpoint strive to enhance their receipts to compass their wants.

If the original proposition shall be accepted as proven and future statistics verify the claim that about three men in every four need the aid of other executive ability than their own, one thing, at least, would seem to be made plain; namely, that the men who possess initiative and courage need no laws to assist them in making their way in life's contest, while the men who are deficient in those elements are just the ones who do need all the favors that the law can possibly bestow.

The initiative in life's affairs must be by the individual and not by any combination of men. Men can be found who can work together in harmony, but in the last analysis it will always be found that some one mind controls.

Thus far it would seem that thinking men might pretty generally agree, but in the adjustment of law to the most beneficent end, from the data at hand, nothing, perhaps, is more certain than that intelligent men will differ, and the intensity of that difference would seem to prove that each really desires the same end, and it is reasonable to suppose that all are ready to accept the correct theory of action as soon as it shall be made plain.

Unfortunately for us, the world has furnished us no pattern which we can adopt, which seems in any way superior to our own; if, indeed, any parallel was possible, for it is probably true that no two countries could be wisely governed by the same internal policy, and no single government long continue the same internal policy without modification.

England was not only highly protective but actually prohibited trade that she considered an injury to her material interests, and she continued that policy for some time even after her ratio of food consumers quite largely overbalanced her food producers. So long as she could feed her people from her own soil her condition was economically safe. With a food supply sufficient for the needs of her people, and a manufacturing class large enough to consume the surplus from her farms; a merchant marine visiting every port of the world seeking customers and buying raw material for

her looms; protected by a strong navy, by the middle of the nineteenth century she stood at the head of the nations of the earth in material prosperity.

But the world had been moving forward and England, which had previously seemed quite indifferent to that fact, began to realize that something was radically wrong in the balance of those elements which make for continued national prosperity and her public men began the study of the new problem. As the most important study of mankind is man, so the most vital study of public men is the needs of their own body politic, and in England's case these strange facts were being impressed upon them. Here was a small island community with constantly increasing numbers who must be maintained. This fact lay at the base of the problem. How were they doing it? They were supplying a certain part of the food and raiment from their own domain and buying the balance in foreign countries.

Now, this fact should never be lost sight of. No economic condition can be regarded as safe until it rests upon a constant and never-failing food and raiment supply, for without it the race must perish, and it is England's deficiency in these vital elements which actually compels her to maintain such a navy as shall be able, not only to defend her own ports against invasion, but, if need be, at the same time to fight her way to some foreign food supply.

How is England equipped for the national race of life viewed from this standpoint? The four peoples immediately under English rule and subject to the above conditions number some forty millions. It has been recently stated that the soil produces a supply sufficient for her entire population for eight months of the year. Here is a vital defect, for one week in every three must be met, and the supply must come from some foreign country. She has a supply of iron ore and the coal for smelting, the tin mines of Cornwall and her fisheries. These substantially must support her people. They must not only furnish them with employment, but that employment must be so manipulated as to be made available for the purchase of what raw material they require — which is much — and what food their soil fails to furnish, which is about one-third their needs.

Her textile industries by which a large per cent of her people are maintained, with the exception of Ireland's flax, must draw almost every fibre from abroad, and probably more than one-half the product of her looms must find a market in foreign lands. With this general outline of the case, how does it analyze? Here is a population of some forty millions of people who must have employment, must be sheltered and fed. How is England equipped for the task? Her building material is abundant in the form of clay and cement deposits, and are reasonably cheap. That factor in the problem, probably, need give them no concern either now or later, and it is the only one of her vital problems that rests entirely in her own hands. When it comes to the question of raiment, they can supply their looms with whatever flax can be grown in Ireland and what little wool can be raised on the few square miles of her territory not devoted to game preserves, which from the nature of the case can be but a trifling part of what they need; while for silk, they must go for their supply to that land where the mulberry tree thrives, and for their cotton to that land kissed, at least, by the sunlight of the tropics; while the food supply, the most vital of all their material interests is, to accept their own estimate, sufficient to supply their needs for only about eight months out of twelve.

England early discovered that the foundation of her economic system was inherently weak, that her food supply was limited and must soon be inadequate to the wants of her growing family. She also knew that no government could long endure with her food supply in peril; and, as she could in no wise enlarge her borders, and her conquests were proving very uncertain pillars upon which to lean, she studied out a rather ingenious method for making the mechanical arts supply the deficiency of her farms. True, it was in a very roundabout way, but it has answered the end for more than fifty years.

The English people early discovered the importance of their own natural resources, and were among the world's pioneers in broadly developing the iron and steel industries and in the development of the mechanical arts. She thus long enjoyed the prestige of priority in a realm where there were but few teachers, and of

matters not easy to learn, and after teaching Englishmen to make the machines and how to run them, they then closed the door to the exportation of any English machines. The secret of the mechanical arts, as wrought out by machinery, they proposed to enjoy all alone.

England, which had always been a maritime nation, now commissioned her merchant marine to the double service of finding a market for her surplus wares and returning to her the raw material which might keep her people employed, and the food they must have.

After this plan had prevailed for a series of years, and other peoples had begun to display ingenuity in the development of the mechanical arts and gave promise of soon being able to supply their own needs, it gave England a new viewpoint from which to study her economic system; her tariff laws were high and in some cases prohibitive, even grain, the staple food of the humble, was under a heavy tax; her mechanical toilers were many of them idle and much suffering was abroad, and in the early half of the last century the condition was so serious that the public men of England were compelled to study the real facts in their economic condition, and this is what they found: — A growing family, with a food supply from their own garden sufficient for only two meals out of three, with a large proportion of her people dependent upon the mechanical arts for their support, and the raw material which must supply their looms almost entirely beyond their borders and outside their control. No theory could alter these stern facts, nor did they attempt it. They reasoned the matter to a logical conclusion. Their wares had already found a market in every country in the world and a certain demand was already established. They were still the leading manufacturing nation of the world and that of itself was a strong factor in their favor; but their fiscal policy was highly protective and they were not unmindful that it was under this policy that misery had accumulated, and while it was called protective, it failed to give protection, and under the changed world conditions they saw no way of securing the protection they were after, except by reversing the policy and inviting the whole world to bring their wares to her markets and

make a clearing house of her. It may be supposed that England would lay the matter before her customers in as favorable light as possible by suggesting that it would be much better for the buyer to approach the seller than for the seller to be constantly obliged to seek the buyer; that by bringing their wares to the English market one has the benefit of choosing from unlimited stock and endless variety, and if there be any question about transportation their shipmasters would supply that at reasonable rates.

If there be a single reason why England under these conditions should not open her ports for the free commerce of all nations as the highest form of protection of which her condition was then susceptible, it can hardly be expected to appear to the ordinary intellect; in fact, it needs no argument to prove that England does, and always has made her laws with especial reference to the protection of English interests. Such is the testimony of English history, and it also testifies that at different periods of her history she has sought the protection of her people through opposite extremes and the intermediate halting, and probably will many times in the future.

CHAPTER IV.

CONGRESS has recently created a commission to ascertain the difference in the cost between articles made in this country and such wares as are made in Europe and other foreign countries, which enter into competition with them, to the end that the manufacturer in this country may not "rob the poor" that he himself may become rich.

How hope inspiring that must be to the man out of employment! Of course, he has no desire to help enrich his neighbor, but his own wants are instant and imperative and his neighbors' assistance in their relief are as essential as his own effort. "Where, gentle shepherd, tell us where" he may look for relief? He has no income, and until he has, prices cannot interest him; yet it is the interest of this very class that sorely needs the fostering care of the law, that has been made the sport of politicians for three-quarters of a century.

It should not be forgotten that this class which stands in such urgent need of assistance are the three men in the groups of four who are constantly looking to the fourth man to direct their efforts. How can the fourth man best do it without involving himself?

The three men must sell their talent to someone. There are already a certain number of doors open to them for competition in their line of talent. Can legislation enhance their interest by closing some of the doors already open to them by upsetting tariff arrangements or appointing commissions to inquire into the high cost of living?

This proposition may not seem absured to everyone, but it would seem that it must to the poor fellow who has nothing to live upon and can entertain no hope of having, until he can find a market for his labor.

If we accept the past experience of England from which to consider our case, and which not only common sense but all experi-

ence confirms, we must begin with the natural resources: — the soil, the mines and the fisheries as the foundation, with the mechanical arts as auxiliary to them and from the interdevelopment of each spring that class of scientific men who are striving through invention and chemical discovery to enhance the condition of each. While standing somewhat apart, is the class known as professionals, the teachers, clergymen, lawyers and doctors. This classification is simply for the convenience of analysis, and it will be observed that from the first three factors in the problem, the soil, the mines and the fisheries, must spring the direct production; and from the fourth class, the professional, the indirect only; while their mission is no less essential than the other toilers, from the material standpoint it is not as readily discernible, but in its last analysis it would seem that all people who are self-sustaining must be classed as producers.

The clergyman and the teacher add to the world's wealth not only by every joy they impart, but just in proportion as they may be able to influence the community in which they live to higher aims and better methods; the physician, not only by banishing suffering but by reducing the hours of idleness; the lawyer, by the respect he may be able to enforce for order. Thus each is an indispensable component of a symmetrical whole and all are consumers.

In a community of one hundred millions of people, with the industries properly diversified and the several factors in the industrial problem properly balanced, there must be work for all and idleness for none, unless they chose to remain idle.

It is to furnish an equipoise that the whole tariff legislation should be directed. If an investigation shall make it plain that forty per cent, or about that, of our people are able to furnish sufficient food product to feed the whole, then the question arises: "How are they to be paid for feeding the whole family?" It must of necessity be through an exchange trade, and that exchange must be for something which they have not and yet are willing to exchange for, and from the nature of the case it cannot be much with the farmer. He must have a set of customers other than those who work at his trade. He must have a large non-food producing class for his customers, who can buy his surplus product or he must reduce his acreage to the limits of his own needs; in fact, the most valuable protection that legislation can bestow upon the farmer is to help provide him customers for his surplus stock, and this can be done only in one of two ways, either to augment the purchasing capacity of his present customers or increase the number of his customers by measures which will stimulate the growth of the non-food producing class, and give to him a domestic market free from foreign competition.

The Government can sometimes enlarge the circle of customers by treaty; but the only permanently safe method is to encourage the widest diversification of industry, so that the food producing class and the non-food producing class may be kept in such adjustment that all may find employment; then all will have customers.

Here we come to that standard free trade maxim: Why pass laws that benefit a class at the expense of the whole? This proposition sounds specious and because it sounds so, it has been accepted as a truism. As a matter of fact, it is a physical impossibility. Was there ever a wealthy man in any community who was not of material benefit to the community in which he spent his money? And if true of individuals, can it be less true of classes? The only uncertainty that seems possible must arise from improper classification and if the intelligence of today is not sufficient to solve that problem, there would seem to be little excuse for neglecting the attempt.

To start at the bottom, the purchaser must have money to buy with, to continue buying he must have an income at least equal to the amount of his purchases; this much needs no proof. It, therefore, follows that the price of goods can form no part of the consideration apart from the income of the buyer, the income must precede the purchase, either actual or prospective.

It is the income, then, that at once stands out plainly as the vital element which must receive the first and substantially the only consideration, and it was not so very long ago that America was favored with an object lesson, showing conclusively how little cheap prices have to do with the well-being of the human race.

In 1896 some of the staple products were quoted at prices lower

than ever before known by the older generation. The wheels of industry were largely idle, and, measured by the purchasing capacity of the masses, prices in the year 1912 which in many cases were two and three times as high as in 1896, seem very reasonable indeed, and why should they not? Flour milled in Minneapolie from wheat grown in Dakota, selling in Boston at three dollars and fifty cents per barrel, carries its own commentary. It speaks of disaster to every one instrumental in its production and distribution back through every stage of its progress to the man who turned the furrow. Nor is the consumer benefited. He, too, is a partaker in the miseries his co-workers share, else the price had not been three dollars and fifty cents.

Analyze any price one may select where the price is unduly low to the consumer and the result must be the same in every case; thus each link must bear an equal proportion of the strain and the capacity of the weakest link determines the capacity of the chain; and from this it must follow that the process necessary to add strength to the chain must be to strengthen its weak links, for it certainly cannot be strengthened by weakening its strong ones.

Here appears another standard maxim. Why confine the analysis to America alone when we are already selling abroad in all countries; and what matter who makes the goods so long as we sell abroad more than we buy? To the first proposition the answer must be: The analysis cannot possibly extend beyond governmental control, for other governments are making laws in their own interest as they see it and that, if nothing else, compels America to do the same; while for the second part of the proposition a single illustration will be sufficient to show how the labor market is affected by our exchange trade, even though we sell abroad more than we buy.

Until very recently our export trade was composed almost exclusively of the products of the soil: — beef, pork, wheat, cotton, corn, petroleum and their products.

For the purpose of analysis, take the item of beef, not as an average but rather an extreme case for better illustration. We will assume that a force of twenty men will care for a herd of cattle

of such size as will fit five thousand for market each year; the salary of the herdsmen one thousand dollars each, and the value of the beeves forty dollars per head at point of shipment. That would leave the problem to be stated as follows: Two hundred thousand dollars worth of goods, with the assistance of nature, have been produced by the labor of twenty men at a cost of ten per cent. We will assume that the beef is consigned to Liverpool and a ninety day draft drawn against the account on London, and the ranchmen proceed to repeat the operation. Before the maturity of the London draft, the American importer of cutlery who has a buyer among the manufacturers of Birmingham, Sheffield and Leeds who has, perhaps, purchased two hundred thousand dollars worth of pocket cutlery, against which the English manufacturer makes his draft usually on New York.

As the time draws nigh when the London banker must pay the American farmer for his beef, he finds himself armed with an offset account in favor of the English manufacturer for the same amount; when the bankers have settled with their clients, the drafts are cancelled and exchanged, that completes the transaction. In each case value has been received and in its broad sense both the commerce of England and America has been satisfied. Now, how has the transaction affected the labor element of the two countries? We have assumed that ten per cent divided among twenty men would be labor's reward for producing the beef, while for the labor required to produce two hundred thousand dollars worth of pocket cutlery would probably be not less than two hundred men for a year.

It has been broadly estimated by cutlery men that the labor cost is eighty-five per cent of the whole, and the profit to the manufacturer ten per cent, we will assume; that would leave eighty-five per cent of one hundred and eighty thousand dollars, or over one hundred and fifty thousand dollars as labor's share in the Englishman's case, divided among two hundred people, as against twenty thousand dollars divided among twenty men in America's case. To be able to purchase the product of two hundred men in one country with the labor of twenty men in another country would certainly be an ideal condition where labor was scarce, and if this proposition be true its converse must be true.

The problem in this country and in all countries is to employ its labor. This, all who discuss the subject seem to realize, but no discussion has yet come to hand which seems to recognize the importance of striving to keep the two classes in the proper relation to each other, — the food and the non-food producing element. It is the people who are not direct food producers that are always nearest the danger line, and these are the people who most need all the assistance that laws can give and the law stands perfectly powerless to render anyone direct assistance except through its charity bequests; but it can be of immense indirect assistance by giving or withholding such consent as may stimulate the resourceful men to devise ways and means whereby such talent as exists may be employed; and yet there is a strong sentiment in this country in favor of closing such avenues as the law has already opened, lest the men who study out the ways and means secure a larger share of the profits than the men who are leaning upon them for their support. If this be wise, then our calculations must be wrong.

CHAPTER V.

A MECHANIC who had been long in the employ of one of Massachusetts' prosperous corporations and who was above the average of his class in intelligence, was heard to remark that the status of the factory operative in this country had virtually been reduced to the condition of peonage, and in comparison he considered the race better off when conditions were such that the shoemaker and the tailor plied their vocation from house to house.

It might have been supposed that one of his intelligence would have discovered that economic progress had not halted at that stage of its development to accommodate the whims of any one, but had moved forward under a law of its own and with just so much force as that law was able to give it. If that law had been satisfied with a condition which required a young man to give from five to seven years of his time to learn what has now been divided into some seventy distinct trades, the separate parts of which can be learned in a few weeks, before he could make a shoe, that law of development would have stopped where he indicated. He had considered the question apparently from the standpoint of an inherent discontent. He had convinced himself that he was not permitted to enjoy what he was earning for his employer; that his toil was swelling the income of those whose social life was entirely distinct from his and whose interest in his welfare was measured only by the profit he could make for them.

There is no excuse to be offered for the man who would treat his help with any less consideration than he would treat his banker; but there is this for explanation, which the average employee cannot realize until such time as they shall become employers themselves: Very few men are so constituted as to be able to maintain discipline with their working force under any degree of familiarity, consequently, their material interests seem to force upon them a constant business attitude toward their help which they feel cannot safely be relaxed outside the factory; and while it is known

in many instances to be entirely at variance with their natural impulse, yet they are of that temperament that it is impossible to change, and they come to be regarded by their help as cold, unfeeling men.

In the run of time the old boss retires and some one of the employees succeeds to the business. He may have been one among them and one of them for years and been regarded a royal shop mate. In two or three months that royal shop mate is fortunate if he be not regarded as worse than his predecessor, and he, of all that force, realizes why. His old shop mates say the man has changed. They do not realize that they are paying in obedience the price of their position. They must be content to pay it or create a position for themselves. Not always will the capacity to create and accumulate wealth be the only standard by which mankind shall be measured, but so long as it is, it must be reckoned with; and if the forces which have produced the present condition are to continue until nature is compelled to furnish the muscle, and man only the skill to direct it in the world's affairs, then it must be plain that the process of concentration, against which there is so much complaint, must be still farther augmented and combinations more vast than any yet conceived must exist. The apple needed no assistance from Newton to find its way to earth, yet behind that apple phenomenon Newton discovered a law that has defied the engineering talent of all the ages. Can it be possible that the laws of the human mind which shape the affairs of men can be any less fixed in their purpose than the law which still controls the apple?

CHAPTER VI.

THERE is another phrase which seems to be accepted as a maxim with many, for it is often heard and is an example of how far from the real facts a half truth will lead. It is often remarked that "the rich are growing richer and the poor poorer." Whether it be true or not there are no statistics to answer the proposition in any definite sense, but so far as statistics go they point unmistakably in the opposite direction. Now, to state the case as it is manifest in every considerable community, it is this: Some of the rich are growing richer and some of the poor are growing poorer. That is all there is to it or ever has been, and this condition has existed apparently from the beginning and may be safely assumed to continue to the end. But the poor fellow who has no income and no capacity to devise ways and means must be allowed the luxury of blaming his condition upon something, and it is very frequently the tariff which, he thinks, is in some mysterious way robbing him of the richest part of his heritage, that has to endure his curses.

The steel trust above all others is the one he selects as the culmination of all tariff evils. It matters not that they are supporting a half million of his fellow toilers who must lean upon some one. That, he looks upon as a matter of course. Somebody else will employ them, if they don't, is often heard, as though it were the easiest thing in the world to build up a great business when it has taken the United States more than a century to build our steel industry to its present magnitude. Without any doubt the tariff was of immense advantage to the steel men in its early history and that was the specific purpose of the law and was so understood by the men who made the law.

The second act passed by the first Congress that assembled under the Constitution kept off foreign importations until the forceful men of this country could establish their plants and learn

the business. It was then known to be the very foundation of mechanical industry and its early struggles were many and severe, and it was not really firmly established until a comparatively short time ago. Now, the steel men no longer have so much need for a tariff but their half million workers, who are drawing their entire support from them, more seriously need the employment which that tariff has helped to build up and can help to continue, than the forceful men of the early time needed the tariff to help them build.

What matter where the tariff is, so that this army of men may be kept in employment and their income be made permanent? What other consideration can there possibly be to weigh against it? These people must have employment or they must become a public charge. Think you that the amount that could be saved on foreign purchases (if indeed any could) would overbalance the amount that would have to be furnished to them before they could again be made self-sustaining? What matter whether the funds come to them through municipal bequests or widely diversified charities? Is the country better off? Know you that for every plague spot upon the body politic the entire body politic must help to heal, to say nothing of the humiliation which must follow the charity features? Is the quality of manhood, which the self sustaining individual only can rejoice in, of no consideration? You men who have this great question to deal with in legislation will do well to consider these things.

But, say some, our merchant iron, our steel rails and our structural iron are costing too much. They sell cheaper in Europe. This is not so, but what if they do? Who is it that supports the American merchant, the American contractor and the American railroads? Is it the European iron master who cuts the price one or two dollars per ton and then raises the price to the old level just as soon as he has secured the market, or the humble toiler with his commutation ticket, his weekly payroll, and the thousands of freight cars his toil is loading every day? This the railroads and all other industries hinge upon; this they can depend upon so long as the humble toilers' income continues, and they can depend upon success upon no other plan whatever, for here lies

their support. It, therefore, becomes of the highest interest to the railroads to purchase in the home market at whatever reasonable price.

The United States is now equipped to supply its own needs in iron and steel. Suppose that one half the merchant and structural iron and steel rails which are used here should be bought in Europe because they could be bought cheaper. It would seem plain that it must displace about the same amount of labor here that it requires to make it there. What must be the inevitable result? First the mill men must reduce their force, which in this case would be not less than one hundred thousand toilers, probably; one half the plants abandoned to allow the balance to be run economically, and where they were abandoned an entire community distressed. So much for the mill men and the toilers therein. Now, who is benefited by this foreign purchase? It would seem that the structural iron contractor might be. His interest would seem to be allied to that of the importer whose basic interest lies in Europe and not here. He would seem to have something to his credit in the transaction and be depended upon to keep it out of sight so the building shall cost the owner no less. The contractor has but a single customer to deal with, which is the owner. The buyer of merchant iron abroad must sell to many customers and the simple act of buying abroad has contributed more to the reduction of the purchasing power of his own customers than he can possibly save in the transaction, when the question is considered in the breadth it must be; for the cash he sends abroad is almost so many dollars taken directly from the pay envelope of the American toiler, and it is the American toiler that supports the American merchant.

Now, let us see how it must affect the railroads. Let us admit that they may have saved a million dollars in the purchase price on one season's business by buying in Europe. "That, surely, is worth saving," you will say. But is it? Let us consider what it has probably cost them to save that million dollars. First, they have eliminated from their own productive territory, in one of the largest fields of their enterprise, one half of its productive energy, in which the profits for a very short time, and, perhaps,

for a single month, might overbalance the saving on the foreign purchase, — so much at the very outset; their equipment which was constructed for the purpose of earning dividends, largely unused and going to decay, less freight to handle, fewer trains to run, fewer men to run them, and thus the misery trickles along down through the line of toilers to the end. This is only the beginning, for, when it is through with the railroads, its blighting influence then settles upon all collateral branches; meanwhile there stand the discharged steel workers, still hoping that something will turn up in their favor. They are the three men in the groups of four who must lean upon somebody. All the fourth men that may have been among them have, in such a crisis, shifted their reliance from the man who sat at the desk in the steel office to the man under their own hat; but the others are looking in blank wonderment toward the future. They have no surplus that can sustain them, and the numbers are so great that the public can do no more than furnish them with such nourishment as may sustain life. What can Congress do for them? Of course, open to them the markets of Europe so that they may be able to buy cheaper! It is true they can buy nothing or next to nothing now, yet some men in Congress have harped upon this strain for three-quarters of a century and until it has become a weariness to the flesh.

Unless Congress can show them how they can buy something, somewhere, without money, it would seem to be wise for Congress to devote their energies to showing them how they may be able to make an income, or put the matter into the hands of men who can and then let them alone.

Now this is the only class that needs the fostering care of law in matters economic. The fourth men of the groups can be depended upon to devise ways and means for themselves, and it is no less true that the prosperity of the men who lean upon them is entirely dependent upon their success. "But," say you, "they will exploit their neighbor's talent and amass wealth." Very well. If that be the only objection we will not discuss it. If it be envy of the rich rather than sympathy for the poor that lies at the base of the proposition it were well that the motive remain hidden.

What relation does this large class sustain to the economics of the world? They are the real dynamo of the universe. They are the men who create the commerce of the world. A large proportion are no whit below the very men they are leaning upon in point of native intelligence, but the intelligence differs in kind. The fourth men of the groups have devoted their energies to the study of theory as applied to practice, while the three men of the groups have interested themselves only in the application and improvement of the agencies of production.

It may well be doubted if there was ever an improvement brought forward that found not its origin in some suggestion that fell from the lips of the man who was doing the work, and in point of character there is, as a class, no better on earth. They are the bone and sinew of the world; but society, which has reached no higher level than the money standard of measure, cannot be expected to discover any merit in the man whose hands are soiled at the forge in determining whether the metal he is working contains the proper amount of carbon for his purpose or the soil he is handling be hungry for phosphates or potassia; and while that powerful entity called society is cumbering the world with the frills of nonsense the men in overalls are lending dignity to life and such dignity as will some day shame society into some degree of sense.

This great class of men needs no assistance from Congress or anyone else when once they are fixed in their positions. They have chosen their calling and their mind has settled into its natural channel of thought. They are not investigators beyond their own chosen field, and they prefer to keep it narrow; they shrink from a change of environment. The comparatively few uneasy ones either rise into the employer class or constantly drift, and every organization has a few such, but the great bulk of them are quiet, slow-pulsed workers and thinkers along their specific lines. The agitators talk unionism and socialism and all sorts of isms to them but they heed them not until the boisterous ones have raised such a rumpus in their little industrial community that their own peace of mind finally compels them to take sides with their boisterous neighbor or throw up their jobs. As they wish to hold their posi-

tions, they join the union, hoping for more good than evil, and, the die once cast, they stand loyally by the rest of their class. They have been virtually dragooned into an unwelcome condition by the discontented, and at last they find their fate for the time being, at least, has been fixed by the agitation of their restless neighbors whose judgment they never had approved and whose motive was grounded, perhaps, more upon envy than upon justice.

"If you wish to keep your mills running, go out into the markets of the world where you belong and fight evenhanded with other nations and secure a share," say the free trade advocates.

It is certainly a gloomy commentary upon the business intelligence of Congress to propose the opening of the tariff doors to the world's strongest competitors, with the avowed intention of crippling the home market, and then coolly suggest that the mill men launch out into the world's broad arena and there fight the very force that has driven them from the customers at their own doors. Think you that there are no other factors in this problem than the difference in the quotations between the foreign smelter and the American smelter? Think you that the money that flows into the coffers of the English iron master for the maintenance of English artisans can ever be made to render any service to the American artisan who is out of employment because of that purchase? Remember, it is the man without an income that needs assistance, not the man who is already able to pay the duty. He can be depended upon to look out for himself. The man without an income must have help. He has all the qualifications for making an income except the initiative. He must be shown into some path already made. He has no quadrant or chain for laying out his own path. He can follow one already laid out without any special mental effort and that is what he wants.

"But," say you, "the prices have been reduced." What if they have? The only classes that in any wise need the assistance of legislation have not only not been benefited, but their misery has been actually augmented by closing some of the doors which were formerly open to them through your process. Bear in mind that it is the three men in every group of four that need this fostering care and thus far, if anyone has been benefited, which is doubtful,

it is only the fourth men of the groups and those nearest to them in the race of life. Would it not be well to study well this question?

Here seems to be the difficulty. It seems to be impossible for the human mind to conceive that there can be any other reward than the dollar actually in hand, and that one is just as competent to secure it as another, entirely ignoring the fact that the fourth men in the groups are entirely able to do it without assistance, while the three men of the groups must have assistance or suffer; and as the week's wages draw near their vanishing point, prices seem high just in proportion as the real wants remain unsatisfied and the fund from which to draw grows lighter. To such but one side of the shield appears and it is far from golden. As they can buy nothing or next to nothing until they have first sold their labor, they indulge in the luxury of complaint about prices. They do not realize that it is not the prices that perplex them. If they had silver in their purses they would waste no moment quarreling about them. That they have not the funds to meet those prices is what disturbs them. They have called to their assistance the half of an assumption and the half of a fear to help them look a stern fact in the face. The supplies they know they must shortly have. There is not even one day of grace on that. To face the stern ordeal they summon all the hope they can command and that suggests that they will be able to sell their labor in season to meet the most pressing needs and this assumption is clouded by the fear that they may not be able to.

This would seem to be a fair picture of the unfortunate side of what is so often seen among that large class which constitutes the mechanical workers of the world under our present political conditions.

Now a word as to prices: — Let this be understood, the price of commodities can have no place or part in any consideration until the would-be purchaser has first provided himself with an exchange equivalent, either present or prospective, and near at hand. As a self-sustaining man he must have an income. As all must know that the income or the hope and expectation of the income must precede the first purchase, it seems somewhat strange that men of ordinary sense should waste time in trying to fix

prices at which such men might buy, and yet do nothing to provide them with means to buy with, and scorn with absolute contempt any effort to help that large class to a market for the only item of value they are able to put upon the market, which is their labor. It is one of the strange spectacles of our so-called political economy. The toiler must have the income before he can make the purchase and the income must precede the purchase to the end of time. It is not the first time in the history of the world's affairs that the team has, figuratively speaking, been hitched up with the cart before the horse, and it will not be the last.

How then can legislation be so directed as to enhance the sum of human happiness? It would seem that it must of necessity be along the pathway we are already treading until such time as it can be shown that better ones exist.

For the present, and probably always, the first consideration must be how easiest to carry the burden of life. So long as physical wants are constant and imperative, so long will the necessity for their supply exist. What then are the best means that have so far been discovered for meeting those ends for the great masses?

In every community are a few people who were endowed at birth, not always, and perhaps not often, with a commanding talent, but with a commanding force of character. They are the self-reliant men, they believe in their own ability and the community accepts them at their own estimate. They fall in in the front rank when the squads are formed at the outset. They won't march in the rear rank. They must be where they can see. They trust their senses and if, in the run of time, they prove worthy of the confidence that has been bestowed upon them, their status becomes fixed and they become pillars of the economic structure. But these comprise but a small class; they are the fourth men that make up the groups. The history of the masses must be written in another language. With them the future presents a barrier which they see no way of surmounting except through the assistance of a stronger will than their own. They feel able to carry the burden of life along as rugged a pathway as anyone can, but the path to them is hidden; they need a pilot, they can do the rest. They apply to their self-reliant neighbor who knows, or thinks he knows the channel, to direct them, and if he does not know the channel, he is prepared to trust his own ability to find one, so long as the crew will stay with him; both together can bring the cargo into port, while either alone can only drop anchor and wait; the boat crew is many, while the pilots are few.

The great masses are looking for employment and that they must have or suffer. What excuse can possibly exist for hampering the activities of the only man who can furnish it? Is it because of fear that the wealth of some one may be unduly enhanced? What has that to do with the case if his talent must be used to feed his hungry neighbors, whose only source of income rests upon his pay-roll? There is no time to discuss the wisdom of the measure or of any measure until the toiler has meat in his pot and bread upon his table; then the very effort that was directed to the relief of suffering will eventually compel justice.

But you ask, "How can tariff laws help labor?" The best that any law-maker can do for us, is to quietly take his stand on the border line of our country, and, with eyes turned inland, answer this question, — "What does this enormous aggregate of miscellaneous toilers need?" First, about their food and raiment supply: "Have they plenty of these?" The answer comes back, "Yes, we have plenty and are sending abroad enormous amounts." "Of what then do you complain?" "That our mechanical toilers are many of them idle." "But why are they idle? You have land enough, let them go back onto the farms." "What, when it only requires about forty per cent of our population to produce all the food that we require and all we can find market for abroad?"

With the farms constantly shedding their surplus energy into the non-food producing class and the cities swelling the numbers by hundreds of thousands every year, these people must be supported by other devices. The food producers, the transportation and the distributing classes will have something to do. Thus far the system works automatically. It is the mechanics and artisans that need particular attention. When they are fully employed the farmers are kept busy. But this very element that lies at the base of human progress is made the sport of politicians. These men who are lightening toil by their inventions and constantly

broadening the field of the world's activities by the establishment of entirely new industries; these are the people who must be considered, for they produce no food upon which to subsist and yet they consume probably one-third of the food consumed in this country. Of what importance to us, what the price may be in other countries?

We have only to balance our industrial system to be great. We have everything to do with in this country. We can make anything that Europe can make, and unless it be more desirable to support the foreign artisan than our own, it would seem to be the height of wisdom to make it here. If it be desired to assist the foreign workman in preference to our own, there is no way it can be done except to buy the goods they make; and if buying foreign goods assists foreign workmen, then it must be plain that the shutting out of such goods as we make here must assist the American workmen to secure an income in this country.

Here let us dismiss once for all that hackneyed platitude, "Buying in the cheapest market." It has a foundation in fact for only a very few people at most, whose incomes are fixed and permanent, and whose permanence is not dependent upon the prosperity of any particular community; such can use the phrase with perfect consistency for they have but one side of the problem to consider, while to the great majority the first and most absorbing interest must be the income. While the income continues they have learned how to make it compass their needs; when it stops the clouds lower at once and low prices cease to be any antidote. It may make his last dollar maintain him two days instead of one, but that only prolongs his misery by twenty-four hours. Nothing can bring the relief but the return of his income.

Here is a maxim which must be founded upon the eternal verities, for it is the line of least resistance for the wealthy, and it is also the line that poverty compels, and it covers not ONE but BOTH sides of the proposition and is this: *The cheapest market, whatever prices may be, is that market in which the individual can supply his wants the easiest.*

It begins here and ends here, and not a single price of a single commodity can be named without disturbing the picture. Why

itemize the articles of diet in life's great problem? This is no plea for the so-called tariff barons. They need none from any. They are the forceful men of every community who are never known to be wanting in ways and means and whose numbers are always few and whose talent is just as essential to the world's progress as the mordant is to the dye. Make all the laws that can be devised to prevent their wrong doing, but hamper the beneficent result of their activity and you do so at the world's cost, yes, at the world's peril.

What are these "Tariff Barons" charged with? These forceful men who have probably done more, back through the ages, to elevate the race of man than any other one, and perhaps, all other agencies combined, what are they charged with? The charge seems to be that some of them have amassed an undue proportion of the product of toil, and that charge originally was directed only against a comparative few whose holdings were said to be enormous, and from that beginning it has broadened until all who are now regarded as in easy circumstances seem to be classed with the rich malefactors. It matters not whether the man may have perfected some valuable invention or discovered some rich ore deposit and sold his claim for a large amount, without the employment of any talent but his own; or commenced as a young man at the bench and worked his way unaided, save such aid as talent and integrity can always command, up to the proprietorship of an establishment, and the employment of an army of men. If there can be any other motive than envy for this, it certainly fails to make its appearance in the analysis; and what a noble motive, surely, upon which to base a world's discontent, or a party's political program. It has the proud distinction of resting upon and drawing its inspiration from the lowest motive known to human beings; for if envy and malice are not synonymous terms, they are at least twin brothers.

To men who have had little experience in world commerce, the quotation of a lower price on such goods as he himself has need of, seems to have a strange fascination only as they lie just beyond his reach. It is the lower price which some neighbor or some paper has brought from some market which he has no occasion to visit;

the lower prices which he might find at his own door on some of the articles excite no surprise whatever. That is a matter of course; but the moment that he finds a lower quotation on some article, which he doesn't want, from beyond his border, that seems to alienate him entirely from his merchant neighbor, and while his environment still compels him to patronize his merchant neighbor he does it under a sort of sullen protest which carries the assumption that there are none so selfish as his own townsmen, and when, at length, he changes his residence to enter those Elysian fields his imagination had painted, he finds there exactly the same conditions he had left and he never realizes that his wailings about the selfishness of the race are but the reflection of his own character. This is the spirit unfortunately which seems to pervade much of our tariff discussion.

Those who hope for relief from life's burdens by calling upon politicians to solve international trade problems will find themselves disappointed so long as international traders themselves find the problem so intricate that they can never tell what the change in a schedule may do until they have put the wheels of commerce in motion and the converse interests have aligned themselves; and those who suppose that foreign competition can have steadying influence on prices in this country have but to look up no more than two incidents in our tariff history to find both phases of its operation illustrated.

One need go no farther back than the eighties of the last century and study the quotations on tin and terne plate. Tin plate, which for years had ranged about four dollars and fifty cents per box, and for short intervals considerably higher, commenced a rapid decline, nor made any protracted halt until it touched two dollars and fifty cents per box and there it rested for months. There was no excessive stock of tin to cause the decline. There never has been in our time and probably never will be. Nor was it English philanthropy, for prices were well maintained at home. But it had come to the knowledge of the English and Welch tin plate makers that some enterprising men in America were experimenting upon the rolling of tin plates and they probably mistrusted that they might next experiment upon the dipping of the plates;

and to give them what little encouragement they might, not to carry that experiment too far, they fixed the price where it could be produced only at a loss. What was the result? The men who were trying to broaden the avenues of labor in this country tired of the unequal struggle, abandoned the project, and the price of tin at once commenced its upward movement, nor halted until the extra profit had apparently made good the losses. In the run of time a new Administration took up the matter of tariff legislation, placed such a duty on tin plate as to enable those men to complete their experiment, and today this country is able to supply its own tin plate and they have established a new industry for the non-food producing class which is already supporting a small army of people. The field is as broad as the continent; the talent is available to develop it. How often has the experiment got to be repeated before the people of this country learn upon which side of this question their interest lies?

In 1886 an American manufacturer of table cutlery was in the city of Baltimore in the interest of his business. He had for years been dealing with the wholesale hardware merchants of the country, several of whom had been importers of foreign cutlery in the early days and had continued to be in certain lines up to that time. S. G. B. Cook & Co. was the one here referred to. It was during one of those political campaigns when the tariff was the issue between the parties, as is usually the case, that they were appealed to for information upon the subject. So much had been said and published about the burden which the consumer was obliged to bear; so vehemently had it been proclaimed that the tariff was a tax upon the poor, that it was decided to ascertain at first hand just how heavy that burden was on one single item of prime importance and universal use which was then protected by an ad valorem duty of thirty-five per cent. It would seem that no more competent jury could sit upon a case of that kind, for one knew what cutlery could be bought for in Sheffield and Leeds and the other knew what it cost to make it in this country, and both had abundant opportunity for knowing what the consumer paid. To commence with American goods, there were at that time, and the style remains substantially the same today, two kinds of a cheap

table knife that supplied the popular demand. They were serviceable goods, would last a lifetime with reasonable care, and at the time referred to had been selling, for perhaps a year, at three dollars and twenty-five cents per gross, f.o.b. New York. This was a five and one-half inch blade, made from about a four cent steel and made with either a wood or an iron handle.

The lowest grade of English goods was then brought forward for comparison. That proved to be a six inch blade made of steel with an iron tang and an imitation ebony handle. They were serviceable goods but were more clumsy than the American goods and had lain upon the shelf for months without a buyer. The price of those English goods at that time was four dollars and thirty-five cents per gross in Sheffield with a duty of thirty-five per cent to be added at our custom house. It will be observed that the home competition between the American manufacturers had not only driven the price far below that of the English goods but had driven the English goods completely out of the American market on the low grades, and that condition prevailed through the medium grades; and not until those grades were reached which carried sufficient profit to enable the English cutler to overcome the duty and still make a profit, was English competition felt, and those grades went into the families of the well-to-do only. This, in its substantial features, must have been the history of every enterprise which tariff laws have substantially fostered.

Unless some one among those who believe that free trade is the panacea for all ills can show wherein the American consumer has been injured in this particular case, let him hereafter hold his peace until he can.

The history of the tin plate industry under the McKinley bill was substantially the same, but what do facts like these amount to with men who for years have been proclaiming that "the tariff is a tax?"

The problem of all problems is to employ the labor of this country in preference to the labor of any other country. For every million dollars which goes out of this country for the purchase of European goods just so much in wages has been withheld from the payroll of the American manufacturer who is prepared to furnish

the same items and whose help are depending upon him for their only income. If the plan is long continued the American manufacturer is either driven to seek an outlet for his wares in some less desirable market where wants and conditions are less understood, or direct his energies into some new channel which is always expensive, or abandon the field entirely. If they fail to make headway in their own chosen calling, the natural course they must tread is back to the primitive pursuit of agriculture where they can at least secure enough from the soil upon which to subsist; meanwhile the help that has been employed, after weary weeks of waiting, may or may not have secured employment at their old calling but more likely most of them have been obliged to change their residence and their occupation perhaps, and accept a learner's wage; then the little community which had adjusted its own balance by natural laws finds its equipoise disturbed by some outside influence beyond its control; the food producers find most of their customers gone and at least some competitors to supply what there is left, and the blessing of "free trade" which has always been urged as of especial benefit to the farmer, can from no point in the analysis be made to work in his favor. How many times has that experience been repeated in this country, and yet there are those who are continually urging it.

From the nature of the case the pursuit of agriculture must constantly embrace a large class, for there is where the subsistence of the race commences. It is where the primitive race of man had to start and it was many years before any got beyond the soil for their subsistence. Then came the domestication of animals and the assembling of them into flocks and herds and with that came planting, and Herodotus relates that the most intelligent people he found were those who planted corn in Egypt. They knew more of their ancestors than the Greeks, and as the draft upon nature was the first asset of the race so it must be the last, and from the necessities of the case the tillers of the soil must in every case where soil is plenty be as fully represented as its profitable employment can warrant, for they are the foundation from which all other classes are recruited. They are the fixtures of the soil and the defenders of its integrity, the source whence flows the conservative

common sense of a people and must always remain the very bulwark of every representative government. Their position then as compared with any other class is strong, but it can be made more so only by strengthening their auxiliaries, the non-food producing class. Anything that has a tendency to weaken that class must of necessity react with twofold measure upon them by transforming customers into competitors.

From any viewpoint one may select, the establishment and maintenance of diversified mechanical industries seems to stand out as the only ladder upon which the race ever has or ever could rise above the ancient level. The intelligence which stumbled upon the first labor saving device opened the door for the creation of the Jacquard loom; and what the Jacquard loom portends, the most highly wrought imagination can form no intelligent guess, but of one thing we may be sure that the forces which established the present order are still directing in the same way to the same beneficent end.

CHAPTER VII.

WHETHER the labor organizations are instrumental in lightening the burdens of life is not a matter now under discussion. What makes it a matter of importance is that labor organizations seem to stand in organized resistance to that process of concentration now moving forward which seems not so much the design of men as the ordering of events, a process of evolution as futile to resist as the onward flow of the river, and when it shall have reached that point in its development when the world's daily wants shall find abundant supply through four or five hours of daily toil, then will be seen the wisdom of its ordering.

It will be asked, "How can the farmer run his farm on four or five hours' toil per day?" There would seem to be no way to accomplish that with certain crops during the crop season, but during the entire year it will probably average with the balance of earth's toilers. How to apply tariff laws to the farmer's advantage has always been a serious problem. One of the first, if not the first law that was expressly designed to benefit the farmer was passed in the interest of the South Carolina cotton planter. Calcutta cotton was being imported in considerable amounts, so to protect the Southern cotton planter the tariff acts of 1789, 1790 and 1816 levied a duty of three cents per pound on cotton imported into the United States, and as Webster afterward stated in the House, it cut the Calcutta trade all up. That is perhaps one of the plainest examples of direct benefit to which the farmer of this country can point.

The reciprocity which was offered Canada and which was rejected would have been much more to her advantage than ours, for it would have broadened her trade community by about one hundred millions of people while it would have broadened ours by only seven or eight millions, and yet Canadian statesmen saw that if they were to remain a separate and distinct entity they must develop their own mechanic arts and in this they were entirely wise. They had taken note of our development and our example

stimulated them. They will eventually be supplying their own needs by balancing their industrial system; if they find, and they will, that their farms are more numerous than the profitable employment in that business will warrant, they will protect them by making conditions favorable for the non-food producing class to expand and thereby increase their customers. All that the farmer requires is to be able to sell his surplus product from year to year. So long as they are able to do that, the condition itself insures them prosperity as a class; with the foundation society properly cared for, the whole structure must move in harmony with it.

We have in America the real foundation of all wealth; why not so conserve it as to secure to Americans the benefit of the wealth created? But it cannot be done so long as American money is being sent to enrich foreign artisans, unless at the same time foreign money is coming here in equal amounts to employ our own artisans; and where is the wisdom of hazarding any part of what we already have in the hope that in some distant field we may be able to recoup some part, or the whole even.

We already have a certain foothold abroad which is not likely to grow less in the future. American factories are already shipping goods to every country in the world; in several lines American artisans now stand on a level with the best while in a few lines they stand at the head. If this has been accomplished under a protective tariff, what excuse can exist for changing except as some change might stimulate the employment of men who are non-food producers; this is the class that must be constantly studied, for all other classes regulate themselves automatically.

The assumption that the tariff is a tax has been substantially the Alpha and Omega of the opposition to the protective policy for the last ninety years. While it is a tax, it is the most beneficent one this country has ever employed. No man in Congress who has ever discussed this great question has been able to analyze a single schedule which applied to goods of domestic manufacture and show where the tax finally rested, or show what relation that tax sustained to the general prosperity. The most that any one has yet been able to do was to point to the beneficent result of past experience, but that seems to have no weight against the fierce

accusation that "THE TARIFF IS A TAX,"—and, of course, for the sole benefit of an obnoxious group of men, notwithstanding the fact that those comparatively few men may be furnishing the only means of support for about one-third of the people of this country.

If instead of enacting laws to hamper the successful manufacturers who may have tariff protection, the politicians would devote what talent they have to studying the condition of the toiler and learn how far his prosperity and happiness is dependent upon the executive ability of those very men, they would then begin their investigation at the only place where they can be of assistance to any one, and be prepared to favor the only class who need their help.

Published by the Home Market Club
T. O. Marvin, *Secretary*
77 Summer Street, Boston

MSH 21191

END OF
TITLE